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November 10, 2022

CERTIFIED MAIL/RRR

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& EMAIL: DDowns@LPSI.com

Danny Downs
Lincoln Property Company
2000 McKinney Ave, Suite 1000
Dallas, TX 75201

Re: Insured: LPC Multifamily Holdco, LLC
Policy Number: SPL0066403-01
Policy Period: 04/01/2022 to 04/01/2023
Claimant(s)/Matter: Sherry Bason, et al
Claim Number: 000013866090

Dear Mr. Downs:

Arch Specialty Insurance Company (“Arch”) acknowledges receipt of the Class Action Complaint entitled *Sherry Bason; Lois Winn; Georges Emmanuel Njong Diboki; Julia Sims; and Sophia Woodland, Individually and on Behalf of All Others Similarly Situated vs. Realpage, Inc. and Lincoln Property Co. et al.*, filed in the United States District Court for the Southern District of California under Case No. ‘22CV1611WQHMDD.

We have reviewed the information in light of the provisions of AMWINS Real Estate Developer Professional Liability Insurance Policy No. SPL00664103-01 (the "Policy") and regret to advise you that Arch must deny coverage for this matter.

The Policy

Arch provides LPC Multifamily Holdco, LLC ("Insured" or "LPC") with Real Estate Developer Professional Liability Insurance with a limit of liability of \$5,000,000 per claim and in the aggregate, subject to a \$50,000

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retention. The Policy covers Claims first made and reported during the Policy Period 04/01/2022 to 04/01/2023.

Allegations

Based on the information received to date, this purported class action suit was filed against RealPage Inc. and several large rental property managers/owners (“Lessors”), including the Insured, alleging collusion in setting rental prices and price fixing in the multifamily residential real estate lease market. Per the suit, beginning in approximately 2016, and potentially earlier, Lessors replaced their independent pricing and supply decisions with collusion by agreeing to use a common third party (co-defendant RealPage) that collected real-time pricing and supply levels. RealPage uses that data to make unit-specific pricing and supply recommendation and Lessors agreed to follow these recommendations, on the expectation that competing Lessors would do the same. It is alleged RealPage provides software and data analytics to Lessors and serves as the mechanism by which Lessors collude and avoid competition, increasing lease prices to Plaintiffs and other members of the proposed Class. It is further alleged RealPage has facilitated an agreement among participating Lessors not to compete on price and allowing Lessors to coordinate both pricing and supply in furtherance of their agreed aim of suppressing price competition for multifamily residential real estate leases. Per the suit, the conspiracy being challenged by the Plaintiffs is illegal under Section 1 of the Sherman Act and they bring suit to recover damages, trebled, and other relief, for themselves and others similarly situated.

Arch recognizes that the allegations are unsubstantiated at this time and nothing in this letter is intended to suggest that they have any legal or factual merit.

Coverage Position

We first call your attention to Insuring Agreement A (Professional Liability) of the Policy:

The Insurer shall pay Loss, in excess of the Retention, on behalf of any Insured resulting from a Claim first made against such Insured during the Policy Period or Extended Reporting Period, if applicable, for a Wrongful Act committed on or subsequent to the Retroactive Date.

Claim means, among other things, civil proceeding against any Insured for monetary or non-monetary relief commenced by the receipt by, or the service upon, any Insured of a complaint or similar pleading. Wrongful Act means any actual or alleged act, error or omission, misstatement, misleading statement, breach of duty or neglect or Personal Injury committed by any Insured; or by any other person for whom the Insured Organization is legally responsible, solely in the performance of or failure to perform Professional Services.

Your attention is next directed to Section 6., Exclusion X, of the policy, which states:

- X. in connection with any **Claim for**, based upon, arising from, or in any way related to unfair trade practices or violation of consumer protection laws.

The complaint alleges the Insured, in using RealPage’s services to set lease prices, violates the Sherman Act. “Section 1 of the Sherman Act states that [e]very contract, combination in the form of trust or

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otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is declared to be illegal.' ”¹ As The Sherman Act is a law enacted to prevent unfair trade practices and protect consumers, pursuant to Section 6.X., the matter is excluded from coverage.

To the extent that you have any other current and valid insurance, Arch recommends that you notify such carriers of this matter.

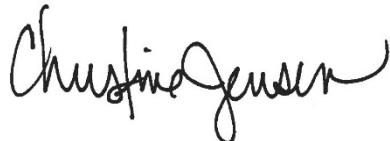
For the reasons set forth above, Arch does not believe that it has any indemnity or defense obligation relative to this matter. However, should you disagree with Arch's coverage analysis or should you believe a defense or indemnity obligation exists, please advise me immediately and supply me with any and all information which you believe supports a contrary position. Such information will be evaluated immediately.

Reservation of Rights

Our position as to coverage is based upon presently available information. Please be advised that we reserve the right to amend our coverage position in the future based upon newly acquired facts or information and further developments. Accordingly, we reserve all of our rights, remedies and defenses under the Policy, at law or otherwise. If you are served with a new or amended complaint, please forward for our review.

If you have any questions or concerns, please do not hesitate to contact me at 214-438-4023 or by email at cjensen@archinsurance.com.

Very truly yours,



Christine Jensen
Senior Claims Examiner – Professional Liability Claims

/cmd

cc: Phil Educate via e-mail: phil.educate@marsh.com
Chris Pitcher via e-mail: cpitcher@archinsurance.com

¹ https://www.law.cornell.edu/wex/sherman_antitrust_act